

**BILL #** HB 2272

**TITLE:** school buildings; air quality

**SPONSOR:** Gullett

**STATUS:** As Introduced

**REQUESTED BY:** House

**PREPARED BY:** Jake Corey

## FISCAL ANALYSIS

### Description

The bill requires K-12 school districts to perform a number of activities related to indoor environmental quality. The bill defines indoor environmental quality as “the quality of facets of the environment that affect the health of the occupants of school facilities, including air quality, water quality, lighting, and noise.” Specifically, the bill requires districts to maintain their Heating, Ventilation or Air Conditioning (HVAC) systems in accordance with guidelines specified in the bill and to operate their HVAC systems continuously during school activity hours. The bill also requires districts to maintain and conduct periodic evaluations of the indoor environmental quality of their buildings.

In addition, the bill directs the School Facilities Board (SFB) to conduct an environmental site assessment prior to approving the construction or renovation of a school district building and grants the board the authority to approve district projects to improve indoor air quality. The bill excludes from the Building Renewal (BR) and New Construction (NC) formulas space necessary to support an HVAC system.

### Estimated Impact

The fiscal impact of the bill is undetermined as some of the additional requirements in the bill could result in a state General Fund cost, while other requirements could result in a state General Fund savings. The bill would have an impact on K-12 school districts as well. The table below provides a brief description of the fiscal impact of the major provisions in the bill. (See Analysis Section for a more extensive discussion of the provisions and their fiscal impact.)

Provision	State Impact	K-12 District Impact
• Meet facility site & materials standards	Potential Cost	Potential Cost
• Meet HVAC system standards	No Impact	Potential Cost
• Exclude HVAC space in BR & NC formulas	Decreased BR Cost Increased NC Cost	Decreased BR Funding Increased NC Funding
• Approve indoor air quality improvements	Potential Cost	Potential Increased Funding
• Maintain & evaluate indoor environmental quality	Potential Cost	Potential Cost

The SFB does not have a cost estimate for this proposal.

### Analysis

The bill contains several provisions that are outlined below, along with an analysis of each provision, including a discussion of the local impact.

- Prior to approving a new school project, the bill requires SFB to conduct an environmental site assessment in accordance with standards established by the American Society for Testing and Materials (ASTM). The board shall not approve a project if any one of the following conditions exist: 1) The site can not meet ASTM standards, within reasonable expenditures; 2) The plans incorporate flat roof construction without adequate water drainage; and 3) The plans do not incorporate sheet metal and air conditioning guidelines suggested by the Contractors National Association (CNA).

The fiscal impact of this provision is undetermined. The provision would not result in additional SFB operating costs as the agency currently conducts environmental assessments of new projects. The provision could result in a state cost if the SFB determined that a site has to be upgraded to meet ASTM standards, "within reasonable expenditures." A.R.S. § 15-2041, however, already grants SFB the authority to adjust, based on site conditions, the new construction amount per square foot.

The SFB indicates that it approves new projects based on the Uniform Building Code, which contains guidelines prohibiting flat roof construction. Therefore, this requirement would have no fiscal impact as no projects are currently being built with flat roof construction. The requirement to incorporate CNA guidelines would have a cost if districts have to eliminate the use of sheet metal or adopt higher air conditioning standards.

- The bill requires school districts to: 1) Maintain and operate their HVAC systems in accordance with standards specified in the bill; and 2) Operate their HVAC systems continuously during school activity hours.

The provision could result in undetermined district costs. Districts could be forced to carry out additional maintenance duties and to operate their systems at a greater cost in the future.

The new language requiring districts to operate their HVAC systems continuously during school activity hours would not result in any additional district costs. According to SFB, districts are already operating complying with the provision.

- The SFB shall not include any space for an HVAC system in its square footage calculations for building renewal or new school facilities.

The provision would result in a reduction in state building renewal costs as the current statutory formula (A.R.S. § 15-2031) takes into account building square footage in calculating the building renewal distribution amounts. The provision would result in increased state new school construction costs, as it would decrease existing district space under the new school facilities formula (A.R.S. § 15-2041) in 30% to 40% of schools.

- The SFB may approve district applications for projects to improve indoor air quality. The board may withhold approval of a project if the district does not provide sufficient evidence that building maintenance staff are receiving training in the appropriate areas of plant operations, including indoor air quality.
- The SFB shall not accept any district application for a project to correct an indoor environmental quality deficiency unless the application is accompanied by an evaluation of the current status of indoor environmental quality.

The provisions could result in an undetermined state cost. The magnitude of the cost would depend on the guidelines for approving projects to improve indoor air quality adopted by the state agency with jurisdiction in the matter.

- Each school district is responsible for maintaining its indoor environmental quality and shall implement an ongoing prevention program toward that end.

The provision would not result in a state cost; however, the provision could result in an undetermined district cost.

- Before January 1, 2006, and once every 2 years thereafter, each school district shall evaluate the indoor environmental quality of its school buildings. New buildings would have less frequent evaluations.

The provision could result in an undetermined state and school district cost. To the extent that districts are not currently evaluating all the items included in the bill, districts might be required to carry out additional activities to complete the evaluation. In addition, if a district does not have staff qualified to conduct the evaluation, the bill would result in additional district costs to have qualified contractors perform the evaluation. The bill could result in a cost to the state if a district were to identify an indoor environmental quality deficiency and were to receive funding from SFB to remediate the deficiency.

### **Local Government Impact**

The bill would result in undetermined additional costs for K-12 school districts to maintain and operate their HVAC systems according to the guidelines specified in the bill and to maintain, implement a prevention program for, and evaluate indoor environmental quality. (For more information see Analysis Section.)